

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30, 2023

Annual Report 2023

M/s. Fecto Cement Limited ('the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, ('the Regulations') in the following manner:

- The total number of directors are 7 as per the following:

Male	6
Female	1

- The Composition of board is as follows:

Independent Directors	Khalid Yacoob Aamir Ghani Jamil Ahmed Khan Mohammed Anwar Habib
Non-Executive Directors	Rohail Ajmal Saira Ibrahim Bawani (Female)
Executive Directors	Mohammed Yasin Fecto

- The Directors have confirmed that none of them is serving as a director on more than seven (7) listed companies including this company;
- The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations;
- The meetings of the Board were presided over by the Chairman, and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations;
- Up to the date of reporting period (i.e. June 30, 2023), following Directors have attended Directors Training Program:

Mr. Jamil Ahmed Khan
Mr. Mohammed Anwar Habib
Mr. Rohail Ajmal
Mr. Khalid Yacoob
Mr. Aamir Ghani

One Director Mr. Mohammed Yasin Fecto, meets the criteria of exemption from Directors Training Program. The remaining director, Ms. Saira Ibrahim Bawani, will obtain certification under the Directors Training Program in due course of time as encouraged under the Regulations.
- The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal

Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.

AUDIT COMMITTEE

Mr. Jamil Ahmed Khan	Chairman	Independent
Mr. Mohammed Anwar Habib	Member	Independent
Mr. Rohail Ajmal	Member	Non-Executive

HR and REMUNERATION COMMITTEE

Mr. Jamil Ahmed Khan	Chairman	Independent
Mr. Khalid Yacoob	Member	Independent
Mr. Mohammed Anwar Habib	Member	Independent

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:
 - i. Audit Committee Quarterly
 - ii. HR and Remuneration Committee Annual
15. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and their partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or a director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act 2017, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the regulations 3,6,7,8,27,32,33 and 36 of the regulations have been complied with.

On behalf of the Board



AAMIR GHANI

Chairman of the Board of Directors

Karachi: October 02, 2023



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FECTO CEMENT LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors of **M/s. Fecto Cement Limited** ('the Company') for the year ended **June 30, 2023** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **June 30, 2023**.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi.

Date: October 03, 2023

UDIN: CR202310210pDyAe4Gc5